

Sustainability report



SUSTAINABILITY REPORT

Our sustainability performance

Arla Plast's sustainability work is focused on three key areas; environmental footprint, corporate social responsibility and business ethics.

Our sustainability work is guided by our vision and strategy, the 2030 Agenda and reflects our ambition to operate Arla Plast in a responsible and sustainable way. To ensure sustainable development, it is essential to integrate these sustainability aspects into all company activities and decisions. The sustainability information in this report relates to the 2025 financial year and includes all wholly owned businesses at the start of 2025.

Arla Plast continues to make progress across many of its sustainability priorities. In recent years, this increased focus has resulted in a more sustainable product portfolio, stronger supplier accountability and greater awareness of our climate impact. At the same time, our increased focus on responsible business practices and building a sustainable workforce has led to a number of investments in health and safety, creating a platform for long-term value as strategic acquisitions are integrated into the Group.



Environmental footprint



Social responsibility



Business ethics

Sustainability – a strong tradition

Already when Arla Plast was founded in 1969, it was part of our strategy to utilize and reuse regrind material. Today, we recycle almost all of the regrind material generated in our business and in addition, we cooperate with several customers to use regrind material from their operations. Arla Plast was an early adopter of certified management systems as part of our quality assurance efforts. Our ambition to run Arla Plast in a sustainable and responsible way has always been a core part of our corporate culture and characterizes the way we treat our stakeholders, whether they are customers, employees, suppliers, the local community or shareholders.



“

We strive to raise awareness and increase the recycling rate throughout the value chain.



Governance of sustainability

Overall responsibility for the company’s sustainability work lies with the Board of Directors, while the CEO has operational responsibility.

Sustainability efforts are managed and monitored via a management system with action plans and measurable targets. This also includes joint policies and guidelines. Target fulfilment and action plans are monitored and reported regularly to Group Management, who in turn regularly report developments and results to the company’s Board of Directors. The Group’s Board of Directors continuously evaluates sustainability work through regular updates to the Board at Board meetings.

Guideline documents

The company has adopted a number of policies and guideline documents. All policies have been approved by the Board of Directors and those that are primarily relevant to Arla Plast’s sustainability work are presented below.

Stakeholder dialogue

Communication with stakeholders, such as employees, suppliers, customers and local communities, takes place on an ongoing basis and the outcomes are monitored and incorporated into the materiality assessment.

Sustainability risks

Emerging or changing sustainability risks are continuously identified and assessed, after which measures are planned to mitigate them.

Systematic approach

Sustainability efforts form an integral part of Arla Plast’s operational management. To support its systematic efforts,

Arla Plast has implemented certified management systems for the environment, quality, health and safety and energy at its production facilities.

	Environ- ment	Quality	Health and safety	Energy
	ISO 14001	ISO 9001	ISO 45001*	ISO 50001*
Borensberg	X	X		
Kadaň	X	X	X	X
Pelhřimov	X	X	X	X
Polyná	X	X		X

*For production facilities where we have assessed that local legislation in this area is equivalent to or more extensive than ISO certification requirements, ISO certification is not considered material.

Commitments and initiatives

Arla Plast supports the UN Global Compact, thus committing to fulfilling its principles on human rights, labour law, environment and anti-corruption. These principles also form the basis of our Code of Conduct.

Arla Plast has also undertaken to contribute towards the 2030 Agenda and the UN Sustainable Development Goals (SDGs). Arla Plast has identified the SDGs that are most relevant to the company and where we have the greatest impact and can contribute the most.

EU Taxonomy and the CSRD

Arla Plast has not yet been affected by the CSRD or the taxonomy. We endeavour to operate in accordance with the applicable regulations and are prepared to report in accordance with these once the scopes are broadened and the business becomes subject to these regulations.

Sustainability Policy and Code of Conduct, including The Arla Plast Way

Guides Arla Plast’s overall conduct with regard to customers, employees, suppliers, business ethics, anti-corruption and community.

Operating Policy

The Operating Policy governs how the company aims to achieve a good and safe working environment and how it aims to minimise negative impacts on the external environment.

Insider Policy

Intended to reduce the risks of insider trading and other unauthorised practices and to facilitate the Group’s compliance with the applicable rules on handling inside information.

Purchasing Policy

Guides the company’s efforts to establish and develop long-term business relationships with suppliers and other partners.

Related Party Policy

Intended to reduce the risk of errors and irregularities arising from related-party relationships and transactions.

Management system

Ensures a long-term, focused and systematic approach to continual improvement.

Our strategy

Our strategy for operating Arla Plast in a sustainable and responsible way is based on the UN's Agenda 2030 and Arla Plast contributes to the UN Sustainable Development Goals.

Materiality

Arla Plast has identified the SDGs which are most relevant to the company and where we have the greatest impact and can contribute the most. These goals are within the company's most essential focus areas and by focusing on them we aim to achieve measurable progress towards our sustainability targets and create positive impact both within and beyond our organisation.

Strategy

Environmental impact is the focus area where Arla Plast has the greatest opportunity to make an impact. The products we produce are designed for a long service life and are highly recyclable, while the production of raw material remains our largest source of emissions. Work to develop fully or partially fossil-free raw material, alongside increased recycling across the value chain, is a high priority. Social sustainability is deeply embedded in Arla Plast's culture. Business ethics and anti-corruption are integrated to our operations.

Progress and reliability

To ensure progress in our focus areas performance is monitored at both local and Group management level and reliability is ensured through internal controls. ISCC certification, together with third-party verification of environmental product declarations, ensures transparency and traceability.

Our focus areas

Environmental footprint

- Efficient use of materials
- Sustainable customer offering
- Sustainable production



Social responsibility

- Our culture
- Employees
- Health and Safety
- Education and skills development
- Working conditions



Business ethics

- Human rights
- Anti-corruption
- Suppliers





Our circular business

Recycling

All our production facilities are equipped to reprocess regrind into resin, which can then be reused in the manufacturing of new products. In this way, we increase circularity and reduce the environmental impact of our products.

Purchasing

When purchasing materials, we seek out suppliers who have committed to comply with international human rights standards, labour rights and anti-corruption regulations. Raw materials with a lower environmental impact are prioritised and certifications require traceability and transparency regarding the environmental impact of materials further up the supply chain.

Collection

We have developed frameworks and processes for collecting regrind from our customers and are working to increase the volumes we collect.



Production

In production, we continuously work to improve energy and water efficiency, reduce waste generation and increase the recycling of regrind. We strive to ensure safety and good working conditions and improve the working environment continuously.

Customer

Our expertise in the properties and performance of plastics enables us to improve resource efficiency and climate performance from a life cycle perspective. We offer customised products with environmental product declarations and long service life.

Storage and transport

Active inventory optimisation contributes to decreased internal transports. We also consolidate shipments in customer deliveries wherever possible.

Environmental footprint

Arla Plast's most significant sustainability possibility is to reduce our environmental footprint. Our GHG Protocol shows that the production of the plastic granules, our main raw material in the manufacturing of extruded plastic sheets, is the single largest contributor to our carbon footprint. We are endeavouring to reduce our climate impact throughout the value chain and from a product life cycle perspective. We collaborate with external partners on the development of materials that are fully or partially fossil-free. We collect materials from our customers and recycle materials from our own production processes. Arla Plast's goal and strategy for reducing its environmental footprint is based on the focus areas; efficient use of materials, sustainable customer offering and sustainable production.

Efficient use of materials

Plastic granules, our main raw material in the manufacturing of extruded plastic sheets, is the single largest contributor to our carbon footprint. It is therefore essential that the material be used as efficiently as possible.

In the production of extruded plastic sheets, we primarily use plastic granules made of PC, PMMA, ABS or PETG. These main raw materials are circular materials that can be recycled endlessly without losing their original properties of lightness, formability and impact resistance. The production of plastic sheets also generates regrind. Most of the regrind is recycled into new sheets by being mixed with virgin raw material or completely replacing the use of virgin raw material. The percentage of regrind that can be used in the plastic sheets depends mainly on the application area of the sheets.

Our main suppliers are located in the EU and the raw material is shipped by sea to one of the major ports in Europe. From there it is transported to our facilities by road.

Performance in 2025

During the year, we increased the share of recycled plastic in our production by 2 percent at comparable production facilities, although the total share of recycled plastic decreased when production in Spain is included. The inclusion of Spain also leads to an overall increase in CO₂ emissions.

Goals for efficient use of materials:

- Increase the collection of materials from customers
- Increase the use of regrind in production
- Reduce waste generation





Sustainable customer offering

Arla Plast's ambition is for customers to value the company's offering as one of the most sustainable in the industry.

Arla Plast is constantly striving to improve the value chain to increase the sustainability of its customer offering and to be a partner that helps our customers achieve their sustainability goals. We create Environmental Product Declarations (EPDs) so our customers can easily know the climate impact of our products. We have also obtained ISCC certifications as part of our efforts to offer products based on circular raw material. We work actively to take back material from customers to increase reuse and circularity.

Our products are sold around the world and are mainly transported to customers by truck or shipped by container. To reduce the impact of transports, we are working to consolidate deliveries to offer a more sustainable transport solution.

Performance in 2025

During the year, we have continued to develop and expand our sustainability efforts. Based on our life cycle assessment (LCA), we have established a fully third-party verified EPD generator built on our own primary data. The tool enables generation of product-specific environmental product



declarations (EPDs) in accordance with EN 15804 for construction products.

The EPD generator has been reviewed, approved and integrated by an independent third party. Currently, this includes production from our facilities in Sweden and the Czech Republic, while our production facility in Spain is not yet included in the generator. However, for the Spanish facility, environmental product declarations have been developed for non-construction products.

At the same time, we have continued to expand our product portfolio by increasing the share of products with a lower carbon footprint. As a key part of this work, we have further developed frameworks and established processes to collect regrind from our customers, enabling increased circularity in material flows and helping to further reduce the CO₂ footprint of our products.

Through certification at our production facility in the Czech Republic, we have produced and supplied ISCC-certified materials during 2025. This is an important step in our work with traceable and sustainable raw materials, further strengthening our offering of products with a lower climate impact.

Goals for a sustainable customer offering:

- Increase the share of products with lower CO₂ footprint
- Increase the use of recycled materials
- Increase the proportion of investments that enable circularity
- Consolidate shipments to attain more sustainable transport solutions



Sustainable production

Arla Plast strives to continuously develop its production facilities to be in the forefront of sustainable production. Our extensive industry experience has given us unique expertise in developing our own production processes and products, with less negative impact on the environment and climate.

Electricity is used throughout the production process. Extrusion and grinding in mills account for the largest share of energy consumption.

The Borensberg facility in Sweden uses renewable electricity, produced by hydroelectric power, which carries an environmental product declaration. The Kadaň and Pelhřimov facilities in the Czech Republic, as well as Polinyà in Spain, are certified in accordance with ISO 50001.

The primary waste at Arla Plast consists of combustibles, packaging, electronics, waste oil and emulsion. Residual materials in the form of start-up lumps, protective film and materials with special pigments are sold instead of being recycled in the company's own production. Despite our ambitious aims, there is always a small proportion of environmentally hazardous waste that cannot be recycled. We aim to continuously reduce this proportion.

Goals for sustainable production:

- Increase the purchase and use of renewable energy
- Reduce the use of environmentally hazardous waste
- Reduce the use of fresh water
- Health and Safety

Performance in 2025

The acquisition of the segment Spain increased total electricity consumption during the year. Due to uncertainties of the energy source depending on geographical location, we have revised the reported share of renewable electricity.

%	2025	2024	2023
Renewable	35	59	59
Other sources	65	41	41

The increase in the Lost Time Injury Rate (LTIR) is primarily due to the acquisition of the segment Spain. An important ambition for Arla Plast is that nobody should be injured in the workplace. Since the acquisition of the segment Spain, several investments have been made to improve safety and the work environment. Among other measures, the grinding mills used for regrind have been relocated, investments have been made in more modern mechanical equipment and ergonomic equipment has been introduced to reduce manual handling and improve ergonomics.

	2025	2024	2023
Lost Time Injury Rate (LTIR)	33	15	12



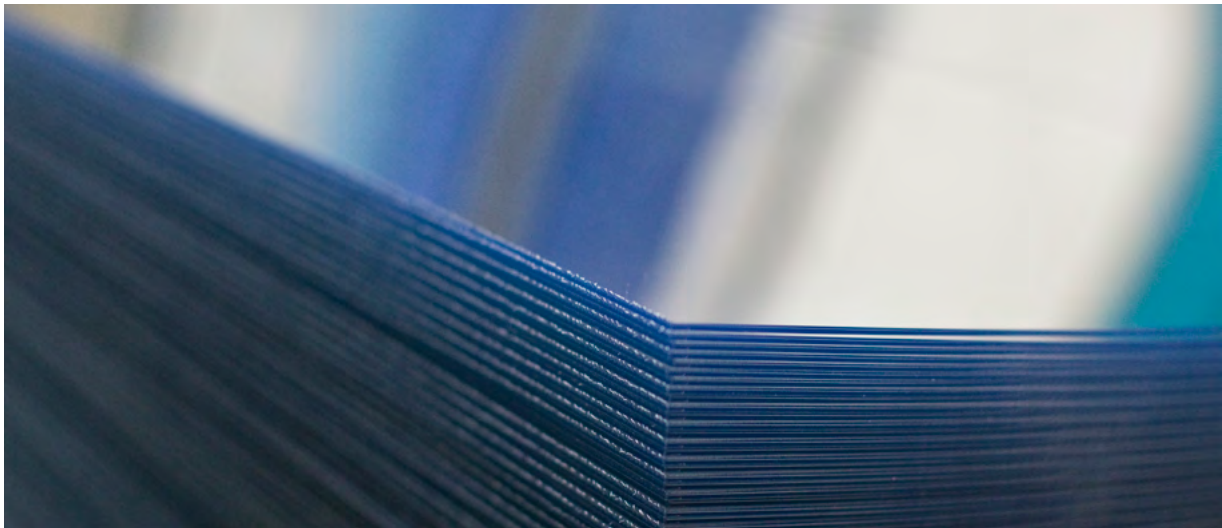


Environmental footprint

Area	Key performance indicators	2025 ²	2024	2023	2022	2021
Compliance	Number of violations of environmental regulations (fines, sanctions)	0	0	0	0	1
Energy	Energy consumption, MWh	28,822	16,673	16,951	17,793	21,256
	Energy consumption/sales, MWh/MSEK	20.11	15.52	16.70	19.27	22.92
Climate	CO ₂ e, tonnes	118,659	66,362	69,653	65,164	84,043
	CO ₂ e/sales, CO ₂ e/MSEK	82.80	64.17	68.62	70.57	90.61
Water ¹	Water consumption, thousand m ³	6,375	5,753	5,197	3,829	1,234
	Water consumption/sales, thousand m ³ /MSEK	4.45	5.36	5.12	4.15	1.99
Raw materials	Recycled plastics, % recycled of total use	5.6	9.6	7.6	9.6	6.3
Management systems	ISO 14001-certified sites, %	100	67	67	100	100

¹ This KPI applies only to operations in segment Sweden through 2021.

² Operations segment Spain are consolidated in all KPIs starting in 2025.



Reporting greenhouse gas (GHG) emissions

To track our progress towards established climate targets, our reporting follows the guidelines of the GHG Protocol. The GHG Protocol is widely recognised as the leading method for managing greenhouse gas emissions in industry, providing comprehensive and internationally comparable figures. The protocol requires us to report emissions from three different areas, referred to as scopes.

Scope 1

Direct impact from own operations, burning of fossil fuels in own production.

Scope 2

Indirect environmental impact generated by use of electricity, district heating and cooling.

Scope 3

Indirect environmental impacts in our value chain; purchasing of goods and services, such as raw materials.

Scope 1 results show estimated emissions from internal forklift transport within our operations. The majority of the Group's forklifts are now electric, but a few diesel-powered forklifts are still in use.

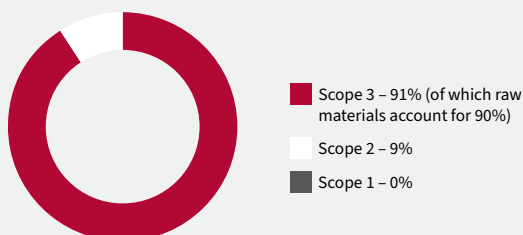
The results under Scope 2 show emissions related to electricity use in our operations. In segment Sweden, the energy used is solely from renewable sources.

Under Scope 3, we report emissions in the value chain; external production of plastic granules which is our main raw material, internally generated waste and transport to customers. For segment Sweden, transport to customers is based on the actual outcome of emissions reports provided by carriers under the EN16258 standard. For segment Czech Republic, Germany and Spain emissions have been calculated based on tonnage sold and baseline data from segment Sweden.

Given the Group's growing share of processed products, Arla Plast will, as of 2025, report total emission CO₂e/sales, MSEK.

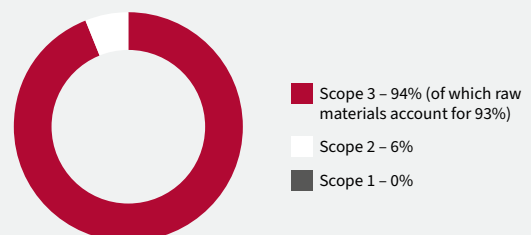
Arla Plast calculation of greenhouse gas emissions, 2025

Total emissions: 82.80 CO₂e/MSEK



Arla Plast calculation of greenhouse gas emissions, 2024

Total emissions: 64.17 tonnes of CO₂e/MSEK





Corporate social responsibility

Being a workplace where people can thrive and have the opportunity to grow and develop is not just a corporate goal, it is a key part of our identity and who we want to be as an organisation. We firmly believe that by investing in our employees, we are not only creating a positive working environment but also laying a strong foundation for our sustainable future.

Arla Plast's corporate culture

Our corporate culture is characterised by the fundamental principles of quality, service, speed and flexibility. These core values shape the way we interact with our customers and each other within the organisation.

Employees

Our Personnel Policy is based on acknowledging our employees' know-how and skills, achieving gender equality, a high level of ethics and an open and honest communication which enables the exchange of ideas. Arla Plast is founded on values that promote a working environment in which everyone is of equal value. This means everyone at Arla Plast shall have the same rights, obligations and opportunities.

Health and Safety

We believe our employees should feel safe in the workplace and we strive to create a healthy working environment. As Arla Plast operates production facilities, it is important to limit the risk of workplace accidents and occupational injuries. Our production facilities in the Czech Republic have certified management systems for health and safety. All new employees receive education in workplace safety. Our long-term aim is to have no accidents or injuries that lead to absence.

Education and skills development

Offering opportunities for development and career options is an important element in being an attractive employer. Through a structured introduction process, all new employees are given the opportunity to familiarise themselves with the organisation and start with their work.

Any needs for education or other activities to enhance skills are identified during employee performance appraisals. During their employment, many of our employees have moved between different roles or pursued further education and thereafter taking on new responsibilities and increased accountability.

Working conditions

Arla Plast aims to ensure that its employees are healthy, committed and motivated. We believe that the work environ-

ment is foundation for this. As a result, health and safety work at Arla Plast is an integrated part of our day-to-day operations and is approached with a long-term focus. This means we work systematically with health and safety, conduct regular risk assessments and monitoring, set clear goals and develop action plans based on these. Our work include physical and psychosocial health and safety, as well as issues related to ergonomics, protection and safety, sickness absence, health care and alcohol and drugs.

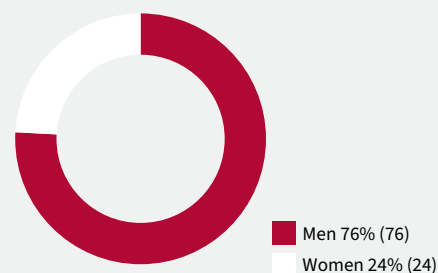
Our production facilities conduct annual employee surveys to assess how the organisation and the working environment are perceived by employees. The results are presented and followed up by company management and union representatives.

Arla Plast – an active corporate citizen

Arla Plast aims to contribute to positive social development and aspires to be an active and committed part of the local community. We do this by maintaining an open dialogue and engaging in targeted initiatives, such as sponsorships, partnerships and offering summer jobs.

In 2025, Arla Plast sponsored a number of local associations and charities, as well as activities for the elderly and children. Arla Plast has also supported the important work of Médecins Sans Frontières for several years.

Proportion of men and women





Social sustainability

Area	Key performance indicators	2025 ¹	2024	2023	2022	2021
Employees	Number of employees (average)	379	258	256	248	265
Compliance	Number of violations of health and safety regulations (fines, penalties)	0	0	0	0	0
Health and Safety	Lost Time Injury Frequency Rate (LTIFR)	33	15	12	24	29
Diversity	Proportion of women in Group management, %	33	33	50	20	25
	Proportion of women in local management teams, %	27	29	24	18	17
Management systems	ISO 45001-certified facilities, %	50	67	67	100	100

¹ Operations in segment Spain are consolidated in all KPIs starting in 2025.



SUSTAINABILITY REPORT

Business ethics

Our goal is for Arla Plast to grow in a sustainable and responsible manner. One way to ensure good business ethics and corporate responsibility is to create awareness and understanding among employees and other stakeholders. We have a Code of Conduct, policies and education programmes to support this.

Arla Plast has a guide for all employees called The Arla Plast Way. The Arla Plast Way describes and guides employees on how to act in different situations and is based on the Sustainability Policy and Code of Conduct.

The Arla Plast Way includes:

- Arla Plast – a good place to work
- Honesty and integrity
- Respect for the customer
- Respect for one another
- Respect for the company’s property
- We care about our world
- Insider information



We aim to create awareness and understanding in employees and other stakeholders.



Human Rights and Anti-corruption

Guidelines on human rights and anti-corruption can be found in The Arla Plast Way. All employees and company representatives have been educated in The Arla Plast Way and the appropriate laws in the countries in which we operate. A whistleblowing function is in place to detect any violations. In 2025, one incident was reported and handled in accordance with the company’s procedures.

Suppliers

All plastic granule purchases are made from approved suppliers that have passed our supplier selection process. We work upstream, which means that we only accept suppliers that have committed to complying with international human rights, labour law and anti-corruption rules. In addition to our own personnel, we work with carefully selected subcontractors at our production facilities in areas such as construction, safety, cleaning, IT, maintenance and logistics. All subcontractors are informed of our Health and Safety Policy, our procedures and, of course, our Code of Conduct. Our supplier monitoring process includes verifying suppliers’ compliance with our Code of Conduct. No cases were reported during the year in which suppliers violated the Code of Conduct.

Business ethics

Area	Key performance indicators	2025	2024	2023	2022	2021
Code of Conduct	Reporting of serious irregularities (number)	0	0	0	0	0